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HOUSING DESKTOP MANUAL

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1. INTRODUCTION

Recovery often starts with safe, decent and affordable housing so that individuals are able to live, work, learn and participate fully in their communities. Assisting individuals in achieving their goals is key component of the behavioral health system. Safe, stable, and familiar living arrangements are critical to a person's ability to benefit from treatment and support services. The Arizona Department of Health Services Division of Behavioral Health Services (ADHS/DBHS), the Tribal and Regional Behavioral Health Authorities (T/RBHA's) have developed a number of housing options and treatment programs that offer a variety of levels of care for persons with a serious mental illness throughout Arizona.

This document will review the existing continuum of housing and residential treatment options available to persons with a serious mental illness. In addition, this manual will provide to the T/RBHAs the information needed to propose housing projects to be funded by ADHS/DBHS, as well as, describe the processes utilized by ADHS/DBHS to approve and monitor both housing acquisition and housing assistance programs.

The term "housing" for the Division of Behavioral Health Services refers to the total benefits of a place to live and the supports necessary to help individuals and families of behavioral health services create a positive life experience in that residence. Community Housing, with housing related supports tailored to assist consumers to live integrated into the community is enhanced when case management, providers, family and neighbors work collaboratively and focus on the individual's needs and strengths.

In August 2000, ADHS/DBHS developed a new permanent-housing program that allowed the Regional Behavioral Health Authorities and their non-profit partners to purchase property for the first time in the history of our state, specifically for persons with a serious mental illness. RBHA's used these funds to purchase homes and apartments through non-profit organizations who serve as contracted housing administrative/owners. The property acquisition program and housing assistance programs proved such a success that the ADHS/DBHS elected to continue funding this program.

2. HOUSING HISTORY AND BACKGROUND

As recently as four decades ago, most persons with serious mental illnesses would have lived in state psychiatric hospitals their entire lives. Most of these locked down institutions housed thousands of people within self-contained “campuses” that offered little, if any, opportunity to overcome the symptoms of mental illness, master living skills or return to community life.

This cycle would have continued if it had not been for legal advocates who filed lawsuits to provide better living conditions for persons with serious mental illnesses. Consumer, family, and advocacy groups sought to address the well-publicized abuses in state hospitals by seeking treatment in the least restrictive setting. Much of the decrease in hospital censuses can be attributed to the movement called “deinstitutionalization” which emerged in the 1950s and 1960’s as an outgrowth of significant changes in the public’s viewpoint about mental illness in America.

Care of individuals with mentally illnesses shifted from hospitals to the community. However, the vast array of services, housing and supports necessary for safe community living never materialized. Persons with mental illnesses often were:

- Discharged to streets as they had no place to live upon discharge;
- Placed in nursing home settings;
- Cycled in and out of psychiatric hospitals and jails;
- Living in unlicensed, unsanitary Board and Care or fifthly and unsafe flop houses; and
- Victims of landlords and owners of group homes that barely fed them, hardly ever cleaned the facilities and took all of their money as “room and board.”

As public outcry increased due to media attention in the 1970’s, individuals with a mental illness began to be placed in large residential treatment facilities that were highly structured. The person’s housing was dependent on their participation in the programming. Residential treatment centers were overcrowded and often substandard. These settings placed residents in physical and emotional risks and did not offer tools for tenants to recover from their mental illness.

In the 1980s, developing small group homes with congregate meals and “supervision” round-the-clock emerged as the preferred housing model. This model worked for some individuals, however, the overwhelming majority of people with mental illness wanted to live in their own homes with access to individualized, flexible supports.

Court documents enacted in January of 1991 through the Supreme Court decision related to Arnold vs. Sarn had a major affect on housing for persons with serious mental illnesses, especially for those living in deplorable conditions. Inappropriate, unsafe, and unsanitary living conditions ranked high among the problems cited in the Arnold vs. Sarn lawsuit that required drastic changes to the behavioral health system.

The agreements reached require that a range of housing options be afforded to class members in the least restrictive manner. Guidelines were established on the use of a property to house no

more than 8 persons with serious mental illness or no more than 25% of an apartment complex, whichever is greater, to avoid recreating “mini institutions” in the community.

In 2000, the Governor signed into law HB 2003, which provided additional funding to purchase housing, increase vocational rehabilitation and enhance case management with the use of Tobacco Tax Litigation funds. The settlement provided permanent housing for priority population consumers. The properties are scattered throughout Maricopa County, with housing options specifically tailored to consumers’ needs. A thorough neighborhood due diligence is conducted on all properties to assure access to:

- Public transportation and/or dial-a-ride services;
- Clinical sites and consumer run centers;
- Employment and job training opportunities;
- Cultural centers, libraries and parks;
- Community support and faith based centers; and,
- Grocery stores and pharmacies.

The properties purchased consist of houses and small apartment complexes with accommodations for technical support staff on or off site. Clinical teams provide ample opportunities to assist consumers in acquiring the skills necessary to manage or eliminate the debilitating symptoms of a mental illness, and they promote productive, satisfying and independent lives emphasizing the consumer's unique strengths, culture and self-determination.

The Arizona State Hospital’s role in the long-term residential treatment of individuals has diminished significantly. In March of 2006, the number of civilly committed residents dropped significantly from hundreds of individuals to a first time low census for Maricopa County of 55.

ADHS/DBHS shifted to a “housing first” approach which is founded on the belief that housing is a basic human right for all persons regardless of disability. The program provides individuals with housing first while other services are being determined. The individual chooses where he or she wants to live, and housing is not dependent upon their participation in a “program” or “treatment.” Rents are subsidized and supportive services are provided on a voluntary basis to help the individual to remain successfully housed in the community.

The ADHS/DBHS housing first approach is founded on research linking stable housing and an individual’s recovery from mental illness. The model is based on the philosophy of the Pathways to Housing program based in New York City. The agency was concerned with the growing number of homeless individuals who displayed signs of mental illness and substance abuse. The study examined the effectiveness of the Pathways Housing First approach over a five-year period. It involved (242) chronically homeless people enrolled in the program and a sample of (1,600) persons housed through a similar City sponsored residential treatment approach during the same period. Analysis showed 88 percent of the program’s tenants remained housed, whereas only 47 percent of the residents in the other residential treatment system remained housed.

Another housing best practice reviewed found a program with proven success in supported housing from a study conducted by Culhane, Metraux and Hadley (2002). The study found remarkable results by employing methods that included cost benefits analysis. In their study of supported housing, tenants of supported housing reduced their use of publicly funded services, by \$12,145 per year. This \$12,145 cost reduction resulted from reductions in the use of medical and mental health services, and the average tenant's use of psychiatric hospitals declined 49%. The research team also recorded a 38% reduction in the use of jails. High tenant retention rates were a common theme among housing providers, nationally, in best practices research.

3. ADHS/DBHS HOUSING CONTINUUM

The Arizona Department of Health Services Division of Behavioral Health Services (ADHS/DBHS) and the Regional Behavioral Health Authorities (RBHA's) have developed a number of housing and residential treatment options for persons with a serious mental illness. The continuum of housing and residential treatment services span from highly restrictive supervised setting such as the Arizona State Hospital and Level II Residential Programs to independent apartments, with or without supports, and home ownership. In addition, providers have partnered with HUD on several projects and individuals are linked to HUD funded housing programs, whenever possible. Unfortunately many of the HUD funded programs have extensive waiting lists and individuals with certain criminal backgrounds are not eligible for housing assistance through HUD. ADHS/DBHS and the RBHAs also have developed a rental assistance and eviction prevention programs that provide financial assistance to individual to help obtain or maintain independent housing.

Housing is funded through non-Title 19 funds (state general funds) and residential treatment programs (licensed through Behavioral Health Licensing Services) are reimbursable with Title 19 funds (Medicaid). In addition, treatment and support services are provided by behavioral health service providers to match federal funds received for the HUD Shelter Plus Care and Supportive Housing programs.

Licensed Treatment Programs (*time-limited based on treatment goals*) include:

- **The Arizona State Hospital-** extended inpatient services in a highly structured and very restrictive setting.
- **Level II and Level III Residential Treatment-**
 - Level II adult residential 24-hour treatment programs and co-occurring treatment programs-these agencies provide a structured treatment setting with 24-hour supervision and counseling or other therapeutic activities for persons who do not require on-site medical services, under the supervision of an on-site or on-call behavioral health professional. RBHAs must clearly set forth in provider subcontracts the type of services which are to be provided as part of the residential program, type of persons to be served and expected program outcomes.
 - Level III residential treatment program-previously called "16-hour, 12-hour and 8-hour semi-supervised housing" may also be referred to as "Provider Affiliated Housing programs". These programs provide supervision and services similar to Level II residential treatment but do not have 24 hour supervision or staff coverage.

ADHS/DBHS Housing Program (not licensed):

- **Community Living with Supports (Acquisition and Leasing)-** primarily have focused on providing on individuals transitioning from the Arizona State Hospital, supervisory care homes, board and care homes, residential treatment, inpatient facilities and jail. The focus is on assisting consumers to establish a social support system, employment and access community resources successfully. Rental subsidy is provided with consumers paying no

more than 30% of their adjusted income towards rent as stated in a lease/occupancy agreements, in sponsor based or tenant based housing. The two community housing models are pursued:

- **House Model**-multiple individuals reside in a home and both treatment and support services may be provided up to 24 hours per day or through an ACT Team.
- **Small Apartment Complex**-typically less structured with treatment and support services either on-site (e.g. in a vacant apartment) or provided by ACT Teams and community service provides based on the individual's service plan.
- **Housing Rental Assistance Types and Programs**-in an effort to establish and increase the availability of permanent, safe and secure housing options, ADHS/DBHS offers financial assistance using housing funds. These funds are available on a one-time only basis and may be distributed in the form of grants or no-interest loans to eligible individuals. There are no fees for these programs. Two programs have been created to assist consumers with housing issues:
 - The **Move-In Assistance Program** allows for a limited number of individuals to receive up to \$1,000 each to defray the cost of rent and security deposits, utilities, and other housing related expenses. The purpose of this program is to facilitate progressive moves to permanent, independent housing and integration into the community.
 - The **Keep In Program/Community Tenure Support Program** allows for a limited number of individuals to receive up to \$1,500 each to prevent eviction, foreclosure, and/or interruption of utility service. The purpose of this program is to maintain community tenure and housing permanency.

Individuals are not restricted to one program or the other; however, they cannot receive funds from the same program twice. Funds are assigned based on the eligibility, availability of funds, and severity of need.

Checks are typically issued directly to the landlord, utility company, etc. No checks will be issued directly to the individual. Questions pertaining to the financial assistance programs should be directed to the T/RBHA Housing Department.

- **Other Housing Programs and Supports**
 - **Respite**-an out-of-home safe and therapeutic living environment that provides an opportunity for a brief separation with the expected outcome to return to the previous living arrangement that can only be accessed as part of a spectrum of current therapeutic services. Respite is for relief of the care giver but could be used in the behavioral health housing system as relief for the landlord and other tenants, as well as the tenant in crisis to prevent them from losing their home.
 - **Transitional**-typically this model provides housing for individuals for a limited amount of time (e.g. 30 day-2 years) and are not meant as permanent housing. Treatment and support services are provided based on the individual's service plan.

HUD Independent Shelter Plus Care and Supportive Housing Programs

Federal funds for housing provided through the HUD McKinney Act Homeless Housing Programs. Behavioral Health providers match dollars received with treatment and support services. Treatment and support services include a variety of services such as case management, independent living skills, medication assistance, social and community integration, peer and family support, vocational services, counseling, etc.

Personal Homeownership

Individuals have homes willed to them from relatives, obtain full time employment to purchase homes or living with family or a significant other. Individuals receive community supports based on their individual service plan. There are limited Flex Funds and Eviction Prevention funds may be utilized to assist the person in maintaining there home.

Independent Federal Housing:

These include the HUD Section 8 programs 811 programs and 202 administered through the local Public Housing Authorities. These include tenant based, sponsor based and project rental assistance.

- **Sponsor-Based Rental Assistance**-the sponsor leases the dwelling unit, pays the full amount of rent directly to the landlord/owner, and holds all liability of damages and losses. The landlord/owner performs credit, criminal history and background checks on the sponsor and may perform them on each prospective tenant prior to and/or during tenancy. The tenant is obligated to pay 30% of their adjusted monthly income to the sponsors for their share of the monthly rent. The tenant may select the location according to the space availability and the landlord/owners willingness to participate in the program.
- **Tenant-based Rental Assistance**-the tenant leases the dwelling units, pays 30% of their adjusted income for rent directly to the landlord/owner. The tenant is responsible for damages and losses, the tenant may be required to meet landlords/owners credit history and criminal background checks prior to and during tenancy, and consumers can choose location of the dwelling unit. The Housing Provider (sponsor) pays the remainder of the rent directly to the landlord/owner.
- **Project Based Housing**-the tenant leases the unit and location is limited to the units available at the project site (subsidy stays with the unit). The individual pays 30% of their adjusted income directly to the landlord/owner. The tenant is responsible for damages and losses, the tenant may be required to meet landlords/owners credit history and criminal background checks prior to and during tenancy. HUD provides the subsidy directly to the complex.

4. ADHS/DBHS HOUSING REVIEW COMMITTEE

Purpose

The ADHS/DBHS Housing Review Committee was established to ensure that decisions to fund housing programs and/or purchase properties with state funds are fiscally sound, address regional needs and are completed in both a fair and impartial manner.

Proposed Scope and Structure

The Arizona Department of Health Services/Division of Behavioral Health Services (ADHS/DBHS) wants to partner with communities, Tribal/ Regional Behavioral Health Authorities (T/RBHAs), public and private agencies to expand and/or create new housing options for individuals with a serious mental illness enrolled in the public behavioral health system. ADHS/DBHS recognizes that “recovery starts with stable housing” and the importance of ensuring that individuals and their families must have safe and affordable housing, to reach their recovery goals.

The ADHS/DBHS initiated a housing program as a part of the Arnold vs. Sarn settlement and further expanded this program with the allocation of funds through the HB2003 legislation. This beginning effort established a foundation for developing permanent and subsidized housing for individuals with a serious mental illness. The development of the ADHS/DBHS Housing Desktop Manual and the establishment of the ADHS/DBHS Housing Review Committee formalizes the scope, structure and establishes protocols. As the decision-making body, the ADHS/DBHS Housing Review Committee is charged with making recommendations for allocating funds, establishing review criteria and administration of the ADHS/DBHS Housing Desktop Manual.

Committee Structure

- Meets monthly or more frequently, as needed
- Makes recommendations to the Division Chief for Clinical and Recovery Service, Division Chief of Finance and the ADHS/DBHS Senior Management Team regarding the selection of housing programs and acquisition of properties proposed by the T/RBHAs
- Establishes working committees as needed for product development

ADHS/DBHS Housing Review Committee shall consist of the following members:

- ADHS/DBHS Housing Coordinator (Co-Chair)
- Finance Manager (Co-Chair)
- Network Manager or designee
- Director of Clinical Operations or designee
- Director of Recovery, Resiliency and Wellness or designee
- Others as needed on an ad hoc basis (e.g. Interagency Manager)

Roles and Responsibilities

- Establishment of a fair and impartial process for reviewing housing program and property acquisition proposals and establishing funding recommendations to be presented to the Senior Management Team.
- Meets to review proposals utilizing scoring guidelines approved by the Division Chief of Clinical and Recovery Services. Guidelines for the proposals will be finalized by the committee and may include; past and expected performance, regional gaps/unmet needs and expected outcomes. Senior Management Team may also assist in the establishment of additional criteria, as needed.
- The ADHS/DBHS Housing Review Committee submits recommendations to the Division Chief of Clinical and Recovery Services and the Division Chief of Finance who review the recommendations of the Property Acquisition Review Committee and instructs Housing Coordinator to prepare the package for the Division of Behavioral Health's Senior Management Team for final approval/denial.
- Consults on the design and roll-out of appropriate training and consultation.
- Assist in the development, implementation and review of both key initiatives to expand/improve housing opportunities and ADHS/DBHS documents such as the ADHS/DBHS Provider Manual, ADHS/DBHS Housing Desktop Manual, etc.
- Ensure state and local housing initiatives address the regional and cultural needs of the community
- As applicable, reviews population data, clinical outcomes, National Outcome Measures (NOMs) and other key findings related to housing.
- Participate in local, state, national workshops/conferences related to housing in Arizona.

5. ADHS/DBHS Permanent Housing for Persons with a Serious Mental Illness Acquisition and Program Development Work Flow

	Action Steps	Anticipated Timeline
1	The ADHS Finance Department is notified of funding allocation for the fiscal year and forwards the information to the Division Chief of Clinical and Recovery Services who notifies the Housing Coordinator of allocated amounts and any restrictions/requirements for use of the funds.	Within 48 hours
2	Arizona Department of Health Services/Division of Behavioral Health Services (ADHS/DBHS) Finance and Division Chief of Clinical and Recovery Services makes recommendations on the amount allocated to Tribal and Regional Behavioral Health Authorities (T/RBHAs) based on population and gaps/regional needs.	Six Weeks and Adjusted As Needed At Least Biannually
3	The ADHS/DBHS Division Chief of Clinical and Recovery Services requests the T/RBHAs to submit project proposals using the ADHS/DBHS Housing Project Proposal format (Appendix H-A).	Three weeks
4	Upon receipt the ADHS/DBHS Housing Review Committee reviews and makes recommendations whether to approve or deny the T/RBHA's proposal(s). The Housing Coordinator will chair the committee and prepare funding recommendations to be presented to Senior Management Team.	Two-Three weeks
5	Upon approval from Senior Management Team, the ADHS/DBHS Finance Manager modifies the allocation schedule, as needed, and notifies the appropriate T/RBHA Finance Departments and the ADHS/DBHS Housing Coordinator in writing, including which fund source is to be used first when there are multiple funding sources.	One week
6	The ADHS Housing Coordinator notifies the appropriate T/RBHA's Housing Departments and schedules meetings to discuss proposals, time frames, and eligible/allowable uses and to review the housing acquisition application process. The Housing Coordinator sends funding commitment letters listing amounts allocated, approved projects and funding sources to the T/RBHA.	One week
	<u>T/RBHA's Housing Acquisition and Property Approval Process</u>	
7	The T/RBHA locates proposed property and conducts proposed property site visit with applicable parties including the Non Profit Organization, Tribal Council Representatives, realtor and seller.	
8	<p>The T/RBHA and Non Profit Organization conducts the Housing Acquisition Planning Meeting. At this meeting the Non Profit Organization (NPO) submits funding request which shall include:</p> <ul style="list-style-type: none"> • The NPO name and address; • Project location, address and legal description; • Name of the Title Company the NPO has chosen and a specific Title Company contact person (phone #) for the project; • A proposed closing date; 	

	<ul style="list-style-type: none"> • A copy of documents demonstrating the NPO's–T/RBHA's control of the property (purchase contract or option agreement); • Proposed tribal council meeting date set; • Official notification is emailed to ADHS Housing Coordinator. 	
9	The Non Profit Organization, seller, and applicable inspectors conduct mandatory appraisal, home inspection, termite inspection, property title search and Tribal Council approval, then submits written reports/resolutions to T/RBHA for review and approvals.	
10	If the proposed project is inconsistent with existing court orders and/or contractual requirements, the T/RBHA must submit a request in writing to the ADHS/DBHS Division Chief of Clinical and Recovery Services. All approvals of waiver must be in writing from ADHS/DBHS and include adequate justification including proposed number of units/tenants.	
11	Housing Acquisition Application Submittal Meeting is conducted by the T/RBHA Housing Department to review the property, inspection/title reports and appraisal to identify any deficiencies. If corrections are required, the Non Profit Organization will be given a list of required corrections, signed by representatives of the T/RBHA, at the conclusion of the meeting. The T/RBHA will approve the application and submit it to the ADHS Housing Coordinator when no corrections are necessary.	Day 1
12	If corrections are necessary in the application, the Non-Profit Organization will have five (5) business days to resubmit the Housing Acquisition Application to T/RBHA.	Day 5
13	The T/RBHA Contracts Department will identify and coordinate with the providers of the treatment and supportive services, as applicable, based on the proposal and needs of population identified to occupy the property.	Day 10
14	The T/RBHA submits to the ADHS Housing Coordinator two (2) copies of the final Housing Acquisition Application including: the approval letter from the T/RBHA to the Non-Profit Organization, appraisal, Conditions, Covenants & Restrictions, deed restrictions and inspection reports.	Day 15
15	ADHS Housing Coordinator reviews the Housing Acquisition Application to ensure completeness and then delivers the application packet to the Arizona Department of Housing (ADOH) for a site visit and thorough review of all documents. Recommendations for changes and/or modifications will be given to the ADHS Housing Coordinator.	Day 20
16	If Housing Acquisition Application is denied by the ADOH the ADHS/DBHS Housing Coordinator will send a letter to the T/RBHA Housing Department stating reason for the denial including any recommendations.	Day 29
17	Upon approval of the Housing Acquisition Application from the Arizona Department of Housing, the Housing Coordinator submits written notice to the Division Chief of Clinical and Recovery Service and the ADHS Finance Bureau Chief for approval.	Day 35
18	The Division Chief of Clinical and Recovery Services will review and request final approval from the Assistant Deputy Director.	Day 40
19	Once approved by the Assistant Deputy Director, the Housing Coordinator and the ADHS Finance Manager informs the T/RBHA (by fax or email) to begin the closing process and outlining the funding source to be used to purchase/build property.	Day 45
20	The T/RBHA finalizes and executes the Housing Acquisition Application and all final documents including Conditions, Covenants & Restrictions, appraisal, approval	Day 50

	letters, inspections, etc. Appropriate information to be submitted to the Title Company with closing instructions (see #9).	
21	The T/RBHA must submit a copy of the final contract, application, Conditions, Covenants & Restrictions submitted to DBHS Finance and the T/RBHA Finance Department with closing instructions to the ADHS/DBHS Housing Coordinator.	Day 55
22	The T/RBHA Finance wires funds directly to the Title Company. T/RBHA Housing Manager hand delivers deed, Conditions, Covenants & Restrictions, and final packet to County Records for recording.	Day 60
T/RBHA's Construction – Rehabilitation Phase		
23	Construction/rehabilitation phase begins –time frames are established in construction contractor's contract by T/RBHA Housing Manager and the Non Profit Organization.	Day 1
24	If the property is an apartment complex with low income occupants, the T/RBHA shall develop a plan to track and monitor relocation efforts monthly or until occupants are relocated and send reports to the ADHS/DBHS Housing Coordinator.	
25	The Non Profit Organization submits final invoices to T/RBHA Housing for inspections – T/RBHA conducts final walk through inspection for approvals and submits the final invoices and receipts to ADHS Housing Coordinator for review. ADHS/DBHS Housing Coordinator submits invoices and receipts to the DBHS Finance Manager.	Estimated date per contract
26	The DBHS Finance approves final construction invoices and makes final payment to T/RBHA.	
27	T/RBHA finance makes final payment to NPO/construction company.	10 days after approvals
28	In the event the property has to be re-sold, the T/RBHA must obtain prior written approval from ADHS Deputy Director. Funds must be re-deposited into the T/RBHA account and used solely for purchasing another property within 60 days or prior to the close of the fiscal year end.	60 Days

All funds allocated by ADHS/DBHS including state appropriations from the general fund and other state funds must be utilized only for reasonable and customary construction costs, or acquisition and rehabilitation costs of properties to be built, improved and conveyed to eligible Non-Profit Organizations. Costs that are directly attributable and traceable to the development of permanent housing for low-income adults with a serious mental illness include:

Eligible Property and Unit Types

The property may be one of the following types of residences;

- Single-family home;
- Town-home;
- Condominium;
- Small apartment complex;
- Manufactured housing, but only if the unit:
 - is situated on a permanent foundation, as evidenced by certification, and is connected to permanent utility hook-ups;
 - is located on land that has a title and not in a park;

- meets the construction standards;
- meets applicable local and/or state codes.

Eligible Activities and Costs

- Environmental Review-completion of the environmental review process is recommended before taking a physical action on a site or making a commitment or expenditure of funds.
- Displacement, Relocation, and Acquisition Provisions. In the event current tenants are low-income and/or disabled, the cost of relocation is an allowable expense.
- Lead Based Paint-current regulations require that owners notify occupants of the hazards of lead based paint if children are among the tenants in the units. Additionally, T/RBHA's must conduct a visual assessment, paint testing, or risk assessment, depending on the results, and remove the paint.
- New Construction-local and state requirements for new construction are allowable expenses.
- Handicapped accessibility requirements of the Fair Housing Act and the ADA, as applicable.
- Building and property acquisition.
- Tribal, State, Federal or local housing quality standards and code requirements.
- Mixed-Income Projects -projects that include state, federal and/or private funds are eligible for financing/leveraging of project.
- Costs of appliances, permanently placed equipment and utility hook-ups during construction
- Rental assistance/subsidy in mass rental tenant based housing-see below:

Eligible One Time Only Costs	Eligible Ongoing Costs
<ul style="list-style-type: none"> ▪ Deposits and Utility Turn On ▪ Move In Start Up Kit(s) ▪ Repairs 	<ul style="list-style-type: none"> ▪ Rent ▪ Utility Allowance ▪ Routine Repairs and Upkeep ▪ Property Manager

Ineligible Properties and Units

- Infrastructure costs in proportion to the percentage of units identified for open market.
- Acquisition and/or rehabilitation of property to be sold to pre-identified beneficiaries.
- Homebuyer subsidies to individuals.
- Acquisition and/or rehabilitation of property to for-profit companies.
- Land banking – acquiring and holding land until construction financing is identified.

Eligible Infrastructure Hard and Soft Costs

Hard Costs	Soft Costs
<ul style="list-style-type: none"> ▪ Site preparation or improvement, including lot clearing and demolition ▪ Utility line installation ▪ Street paving ▪ Sidewalk paving ▪ Water retention basins ▪ Curbs and curb cuts 	<ul style="list-style-type: none"> ▪ Engineering ▪ Plans and specification and general description of work required/obtained ▪ Competitive bids from contractors

Eligible Construction or Acquisition/Rehabilitation Costs

Hard Costs	Soft Costs
<ul style="list-style-type: none"> ▪ Acquisition of land and existing structures ▪ On-site costs, such as site preparation or improvement, including demolition ▪ Off-site costs may or may not be eligible – contact the ADHS for guidance ▪ Materials and labor ▪ Improvements for physically disabled ▪ Compliance with HUD lead-based paint regulations (rehab) ▪ Energy-related improvements <p>For manufactured housing units:</p> <ul style="list-style-type: none"> ▪ Foundations ▪ Tie-downs ▪ Utility hook-ups ▪ All other eligible hard costs 	<ul style="list-style-type: none"> ▪ Title reports and insurance ▪ Legal and accounting, including cost certifications ▪ Appraisals ▪ Construction-period taxes and insurance ▪ Recording fees ▪ Environmental review (<i>only if required</i>) ▪ Architectural fees, including specifications and job progress inspections ▪ Engineering fees ▪ Builder, consultant or developer fees ▪ Building permits ▪ Impact fees Relocation assistance for displaced renters. ▪ Project audits and field inspections <p>For manufactured housing units:</p> <ul style="list-style-type: none"> ▪ Foundation/permanency certifications ▪ All other eligible soft costs

Ineligible activities or costs include:

- Most off-site improvements
- For-profit ownership of property

- Neighborhood infrastructure improvements such as parks, recreation areas, swimming pools, tennis courts, and other neighborhood improvements not necessary for the provision of safe, decent and sanitary housing
- Landbanking (i.e., acquiring and holding land for which a project design is not completed, funded or ready for immediate development of permanent housing for the seriously mentally ill)
- Refinancing of personal agency debt in order to qualify the non-profit for mortgage financing
- Subsidies or mortgage buy-downs that do not comply with this funding
- Delinquent taxes, fees or charges levied on a property (seller expense)
- Maximum Property Value and Purchase Price and Property Eligibility
- Properties priced above the appraised value

6. ADHS/DBHS Housing Monitoring and Oversight

Purpose

To establish a fair and impartial process for monitoring housing and housing assistance programs (e.g. eviction prevention programs or rental subsidy programs) funded through the Arizona Department of Health Services/Division of Behavioral Health (ADHS/DBHS) and administered by Tribal/Regional Behavioral Health Authorities (T/RBHA) for behavioral health recipients.

Annual Monitoring and Oversight Activities

1. Annual Administrative Review - review and evaluate the T/RBHA administration and the housing project development process. Areas to be reviewed will be established by the ADHS/DBHS Housing Coordinator, in conjunction with ADHS/DBHS Housing Review Committee, and other applicable departments.
 - a. At a minimum, the Annual Review will include, but not limited to:
 - i. T/RBHA process for identifying and tracking housing needs (e.g. coordination with clinical services and network management).
 - ii. T/RBHA process for identifying potential housing partners and service providers.
 - iii. T/RBHA administration of housing assistance programs or oversight of administration if contracted out to another agency including the monthly accounting of all behavioral health recipients in its housing program and of its housing and service providers.
 - iv. T/RBHA oversight of Community Placement Funds and Arizona State Hospital Transition funds to ensure to address housing needs in a timely manner for individuals leaving the Arizona State Hospital.
 - v. T/RBHA monitoring of providers or agencies who have been awarded housing funds
 - vi. T/RBHA housing staff.
 - vii. T/RBHA trainings related to accessing housing resources and regulations (e.g. Section 8 and Landlord Tenant Act).
 - b. A sample of the property on-site records will be reviewed to examine areas including, but not limited to:
 - i. Documentation of Tenant Rights and Crime/Drug Free Addendum(s).
 - ii. Rent collection processes and verification that rents collected are consistent with Housing Urban Development (HUD) standards or as established by ADHS/DBHS.
 - iii. Current Release of Information Forms signed by the tenant.
 - iv. Waiting List Process.
 - v. Work Order Logs and Damages Policy.
 - vi. Compliance with landlord tenant requirements and assurance that tenants are treated fairly including a review of the all complaints received during the past 12 months.

2. Annual Property Reviews/Onsite Monitoring - ADHS/DBHS contracts with the Arizona Department of Housing to conduct annual property inspections utilizing the Housing Quality Standards (HQS) guide of the U.S. Department of Housing and Urban Development.
 - a. When schedules permit, property inspections will occur jointly with ADOH and the Arizona Department of Housing Coordinator or his/her designee.
 - b. ADOH will provide a summary of their findings to the ADHS/DBHS. The ADHS/DBHS Housing Coordinator will oversee to ensure that any deficiencies are corrected.
3. Financial Review - the ADHS/DBHS Financial Business Manager will conduct an annual reconciliation with all T/RBHAs receiving housing funds. Findings of the financial review will be provided to the ADHS/DBHS Housing Review Committee and other applicable departments.

Ongoing Monitoring, Coordination Activities and Technical Assistance Opportunities

1. Network Plan Review Process
 - a. The ADHS/DBHS Housing Coordinator will provide the Network Operations Director a copy of all approved T/RBHA Housing Project Proposals.
 - b. Approved housing project proposals will be incorporated into the T/RBHA Annual and Quarterly Network Development Plans, as appropriate, and progress on implementation will be tracked through the quarterly Network Review process.
 - c. The ADHS/DBHS Housing Coordinator and the T/RBHA Housing Coordinators will participate in network meetings (as needed/requested).
2. ADHS/DBHS Housing Coordinator Coordination and Technical Assistance Activities
 - a. Quarterly meetings (or as needed/requested) will be held with all T/RBHA Housing Coordinators to provide training, technical assistance and share information across regions, etc...
 - b. Conduct monthly (or as needed/requested) consultation through individual on-site visits or via telephone to T/RBHA's and/or housing providers.
 - c. Establish working committees, as needed, for product design, eliminating housing barriers and cross training.
 - d. Provide consultation on the design and delivery of appropriate trainings related to housing individuals who receive behavioral health services.
3. Clinical Treatment and Support Services Record Review - a random sample of clinical records for individuals who are or who have received housing and/or housing assistance funded through ADHS/DBHS may be conducted to ensure that both treatment and support services are provided consistent with the approved housing proposal, as well as, the individual needs of the tenant. This technical assistance review and/or other similar monitoring activities may focus on areas such as provision of on-site services and linkages to other service providers or community resources (e.g. permanent rental subsidy, assistance to address landlord tenant issues, medication assistance, vocational services and transportation).

4. ADHS/DBHS Finance Business Manager
 - a. Review expenditures related to housing on a quarterly basis.
 - b. At the beginning of the third quarter, each month monitoring of expenditures will increase to monthly.
 - c. Findings of the review will be provided to the ADHS/DBHS Housing Review Committee and other applicable departments.

Communication and Feedback Loops

1. Summaries of monitoring activities including exemplary practices/projects and areas requiring correction plans will be provided to the ADHS Housing Review Committee, ADHS/DBHS Senior Management Team and, as applicable, the T/RBHA Housing Manager T/RBHA Chief Executive Officer, etc.
2. The Housing Coordinator will responsible for tracking and monitoring T/RBHA housing corrective action plans to ensure timely implementation and resolution of issue(s).

Monitoring Tools

1. The ADHS/DBHS Housing Coordinator in conjunction with other departments (e.g. Business & Finance Office, Office of Oversight and Monitoring) will establish monitoring tools to assure that program standards are maintained and housing programs meet expectations. Tools will be adapted to rural/urban cultures and unique community needs.
2. ADHS/DBHS Housing Review Committee will review and approve monitoring tools developed.

